

Selected U.S. and Kentucky Economic Variables
IHS Markit: Control Scenario
July 2021

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
OUTPUT							
US Real GDP (Bil 2012\$)	18,677 -1.1%	18,983 1.6%	20,246 6.7%	20,850 3.0%	21,239 1.9%	21,677 2.1%	22,163 2.2%
Industrial Production Index, Total	-5.4%	-0.1%	6.7%	2.5%	1.2%	1.4%	1.6%
Industrial Production Index, Durables	-3.6%	-0.2%	6.1%	2.2%	1.3%	1.3%	1.6%
INCOME							
KY Personal Income (Mil\$)	203,619 5.9%	219,177 7.6%	219,136 0.0%	227,331 3.7%	235,589 3.6%	245,480 4.2%	256,018 4.3%
KY Wage & Salary Income (Mil\$)	95,812 0.8%	101,041 5.5%	108,895 7.8%	113,842 4.5%	117,940 3.6%	122,335 3.7%	126,734 3.6%
KY Supplements to W&S (Mil\$)	24,072 0.9%	25,022 3.9%	26,801 7.1%	28,317 5.7%	29,712 4.9%	31,100 4.7%	32,566 4.7%
KY Proprietors' Income (Mil\$)	12,938 4.6%	14,163 9.5%	14,216 0.4%	14,199 -0.1%	14,490 2.1%	15,047 3.8%	15,616 3.8%
KY Dividend, Interest, & Rent (Mil\$)	33,055 0.1%	32,703 -1.1%	34,452 5.3%	36,219 5.1%	37,362 3.2%	38,667 3.5%	40,271 4.1%
KY Transfer Payments (Mil\$)	55,855 21.5%	65,364 17.0%	55,089 -15.7%	56,014 1.7%	58,214 3.9%	61,341 5.4%	64,756 5.6%
KY Social Insurance (Mil\$)	15,692 0.8%	16,625 5.9%	17,814 7.2%	18,714 5.1%	19,540 4.4%	20,379 4.3%	21,248 4.3%
US Personal Income (Bil\$)	19,192 5.2%	20,623 7.5%	20,853 1.1%	21,743 4.3%	22,644 4.1%	23,682 4.6%	24,835 4.9%

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	FY20	FY21	FY22	FY23	FY24	FY25	FY26
EMPLOYMENT							
KY Nonfarm Employment (Thous)	1,890.9 -2.4%	1,853.6 -2.0%	1,930.4 4.1%	1,971.6 2.1%	1,987.9 0.8%	1,997.5 0.5%	2,004.9 0.4%
US Nonfarm Employment (Mil)	147.1 -1.9%	143.0 -2.8%	149.4 4.5%	153.1 2.5%	154.7 1.0%	155.6 0.6%	156.3 0.5%
KY Manufacturing Employment (Thou)	242.5 -3.9%	240.4 -0.8%	249.9 3.9%	252.9 1.2%	252.6 -0.1%	252.6 0.0%	252.5 -0.1%
US Manufacturing Employment (Mil)	12.5 -2.1%	12.2 -2.5%	12.5 2.3%	12.6 0.8%	12.5 -0.3%	12.4 -1.2%	12.3 -1.1%
OTHER KEY MEASURES							
Consumer Sentiment Index (Michigan)	90.4	80.3	93.8	99.0	99.3	98.3	98.9
Rate of Inflation (%)	1.6%	2.2%	3.5%	2.0%	2.1%	2.1%	2.1%
US Retail Sales (%)	0.1%	12.8%	7.0%	2.3%	3.1%	3.9%	4.3%
US Corporate Profits(%)	-5.5%	20.7%	12.4%	3.1%	2.3%	4.7%	5.5%
Three-month Treasury Bills (%)	-46.8%	-94.1%	-17.6%	42.0%	252.5%	135.8%	66.5%
Oil Price, West Texas (\$/barrel)	46.72	51.83	65.40	62.12	62.10	62.52	63.19

MAK: Macromodel of Kentucky
Governor's Office for Economic Analysis
Office of State Budget Director

Selected U.S. and Kentucky Economic Variables
IHS Markit: Optimistic Scenario
July 2021

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
OUTPUT							
US Real GDP (Bil 2012\$)	18,677	18,989	20,557	21,248	21,646	22,021	22,402
	-1.1%	1.7%	8.3%	3.4%	1.9%	1.7%	1.7%
Industrial Production Index, Total	-5.4%	0.0%	8.3%	3.0%	1.3%	1.1%	1.1%
Industrial Production Index, Durables	-3.6%	-0.1%	8.1%	2.6%	1.2%	1.0%	1.1%
INCOME							
KY Personal Income (Mil\$)	203,619	219,197	221,216	230,394	239,306	249,218	259,776
	5.9%	7.7%	0.9%	4.1%	3.9%	4.1%	4.2%
KY Wage & Salary Income (Mil\$)	95,812	101,046	109,891	114,869	119,267	123,705	128,228
	0.8%	5.5%	8.8%	4.5%	3.8%	3.7%	3.7%
KY Supplements to W&S (Mil\$)	24,072	25,020	26,982	28,583	30,061	31,526	33,036
	0.9%	3.9%	7.8%	5.9%	5.2%	4.9%	4.8%
KY Proprietors' Income (Mil\$)	12,938	14,170	14,587	14,915	15,249	15,614	15,905
	4.6%	9.5%	2.9%	2.2%	2.2%	2.4%	1.9%
KY Dividend, Interest, & Rent (Mil\$)	33,055	32,710	35,014	37,164	38,484	39,819	41,517
	0.1%	-1.0%	7.0%	6.1%	3.6%	3.5%	4.3%
KY Transfer Payments (Mil\$)	55,855	65,368	55,195	56,302	58,616	61,836	65,325
	21.5%	17.0%	-15.6%	2.0%	4.1%	5.5%	5.6%
KY Social Insurance (Mil\$)	15,692	16,627	17,951	18,893	19,781	20,650	21,560
	0.8%	6.0%	8.0%	5.3%	4.7%	4.4%	4.4%
US Personal Income (Bil\$)	19,192	20,627	21,103	22,166	23,147	24,196	25,332
	5.2%	7.5%	2.3%	5.0%	4.4%	4.5%	4.7%

Selected U.S. and Kentucky Economic Variables
IHS Markit: Optimistic Scenario
July 2021

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
EMPLOYMENT							
KY Nonfarm Employment (Thous)	1,890.9 -2.4%	1,853.8 -2.0%	1,943.5 4.8%	1,978.9 1.8%	1,994.9 0.8%	2,001.4 0.3%	2,006.6 0.3%
US Nonfarm Employment (Mil)	147.1 -1.9%	143.0 -2.8%	150.3 5.1%	153.5 2.1%	155.0 1.0%	155.8 0.5%	156.4 0.4%
KY Manufacturing Employment (Thou)	242.5 -3.9%	240.5 -0.8%	251.9 4.7%	255.2 1.3%	255.5 0.1%	254.6 -0.3%	253.6 -0.4%
US Manufacturing Employment (Mil)	12.5 -2.1%	12.2 -2.5%	12.4 2.0%	12.5 0.4%	12.4 -0.4%	12.3 -1.5%	12.1 -1.3%
OTHER KEY MEASURES							
Consumer Sentiment Index (Michigan)	90.4	80.3	97.4	102.0	101.6	100.5	101.2
Rate of Inflation (%)	1.6%	2.3%	3.7%	2.3%	2.2%	2.2%	2.2%
US Retail Sales (%)	0.1%	12.9%	9.2%	3.0%	3.1%	3.6%	3.9%
US Corporate Profits(%)	-5.5%	21.0%	18.9%	3.1%	0.9%	2.2%	2.6%
Three-month Treasury Bills (%)	-46.8%	-94.0%	149.5%	143.7%	81.0%	58.7%	36.8%
Oil Price, West Texas (\$/barrel)	46.72	51.83	67.15	63.76	63.52	63.92	64.57

MAK: Macromodel of Kentucky
Governor's Office for Economic Analysis
Office of State Budget Director

Selected U.S. and Kentucky Economic Variables
IHS Markit: Pessimistic Scenario
July 2021

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
OUTPUT							
US Real GDP (Bil 2012\$)	18,677	18,979	20,029	20,698	21,175	21,607	22,046
	-1.1%	1.6%	5.5%	3.3%	2.3%	2.0%	2.0%
Industrial Production Index, Total	-5.4%	-0.1%	5.4%	2.9%	1.6%	1.4%	1.2%
Industrial Production Index, Durables	-3.6%	-0.2%	4.5%	3.0%	2.0%	1.4%	1.3%
INCOME							
KY Personal Income (Mil\$)	203,619	219,115	217,116	223,567	230,147	238,434	247,683
	5.9%	7.6%	-0.9%	3.0%	2.9%	3.6%	3.9%
KY Wage & Salary Income (Mil\$)	95,812	101,025	108,012	111,810	114,882	118,576	122,475
	0.8%	5.4%	6.9%	3.5%	2.7%	3.2%	3.3%
KY Supplements to W&S (Mil\$)	24,072	25,014	26,539	27,660	28,699	29,839	31,150
	0.9%	3.9%	6.1%	4.2%	3.8%	4.0%	4.4%
KY Proprietors' Income (Mil\$)	12,938	14,131	13,863	13,895	14,287	14,862	15,404
	4.6%	9.2%	-1.9%	0.2%	2.8%	4.0%	3.6%
KY Dividend, Interest, & Rent (Mil\$)	33,055	32,695	33,948	35,720	36,862	37,938	39,259
	0.1%	-1.1%	3.8%	5.2%	3.2%	2.9%	3.5%
KY Transfer Payments (Mil\$)	55,855	65,363	54,902	55,329	56,913	59,434	62,430
	21.5%	17.0%	-16.0%	0.8%	2.9%	4.4%	5.0%
KY Social Insurance (Mil\$)	15,692	16,621	17,645	18,301	18,906	19,583	20,360
	0.8%	5.9%	6.2%	3.7%	3.3%	3.6%	4.0%
US Personal Income (Bil\$)	19,192	20,612	20,590	21,285	22,011	22,867	23,864
	5.2%	7.4%	-0.1%	3.4%	3.4%	3.9%	4.4%

Selected U.S. and Kentucky Economic Variables
IHS Markit: Pessimistic Scenario
July 2021

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
EMPLOYMENT							
KY Nonfarm Employment (Thous)	1,890.9 -2.4%	1,853.5 -2.0%	1,921.2 3.7%	1,958.3 1.9%	1,972.4 0.7%	1,980.6 0.4%	1,988.4 0.4%
US Nonfarm Employment (Mil)	147.1 -1.9%	143.0 -2.8%	148.8 4.1%	152.0 2.1%	153.4 0.9%	154.2 0.5%	155.0 0.5%
KY Manufacturing Employment (Thou)	242.5 -3.9%	240.3 -0.9%	248.6 3.5%	250.5 0.7%	249.8 -0.3%	250.0 0.1%	250.1 0.0%
US Manufacturing Employment (Mil)	12.5 -2.1%	12.2 -2.5%	12.5 2.6%	12.4 -0.9%	12.3 -1.0%	12.2 -1.0%	12.1 -0.3%
OTHER KEY MEASURES							
Consumer Sentiment Index (Michigan)	90.4	80.3	89.5	95.5	97.0	96.0	96.6
Rate of Inflation (%)	1.6%	2.2%	3.0%	0.9%	1.1%	1.4%	1.7%
US Retail Sales (%)	0.1%	12.7%	5.1%	1.8%	2.5%	3.0%	3.6%
US Corporate Profits(%)	-5.5%	20.8%	8.6%	3.0%	2.6%	3.4%	4.4%
Three-month Treasury Bills (%)	-46.8%	-94.0%	-8.6%	27.1%	6.2%	1.7%	4.6%
Oil Price, West Texas (\$/barrel)	46.72	51.69	64.61	61.65	61.87	62.56	63.56

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Selected U.S. and Kentucky Economic Variables
Forecast Comparison
July 2021

	FY22	FY23	FY24	FY25	FY26	FY22	FY23	FY24	FY25	FY26	FY22	FY23	FY24	FY25	FY26
	IHS Markit: July 21 Control					IHS Markit: July 21 Optimistic					IHS Markit: July 21 Pessimistic				
US Real GDP (Bil 2012\$)	20,246 6.7%	20,850 3.0%	21,239 1.9%	21,677 2.1%	22,163 2.2%	20,557 8.3%	21,248 3.4%	21,646 1.9%	22,021 1.7%	22,402 1.7%	20,029 5.5%	20,698 3.3%	21,175 2.3%	21,607 2.0%	22,046 2.0%
Industrial Production Index, Total	6.7%	2.5%	1.2%	1.4%	1.6%	8.3%	3.0%	1.3%	1.1%	1.1%	5.4%	2.9%	1.6%	1.4%	1.2%
Industrial Production, Durables	6.1%	2.2%	1.3%	1.3%	1.6%	8.1%	2.6%	1.2%	1.0%	1.1%	4.5%	3.0%	2.0%	1.4%	1.3%
KY Personal Income (Mil\$)	219,136 0.0%	227,331 3.7%	235,589 3.6%	245,480 4.2%	256,018 4.3%	221,216 0.9%	230,394 4.1%	239,306 3.9%	249,218 4.1%	259,776 4.2%	217,116 -0.9%	223,567 3.0%	230,147 2.9%	238,434 3.6%	247,683 3.9%
KY Wage & Salary Income (Mil\$)	108,895 7.8%	113,842 4.5%	117,940 3.6%	122,335 3.7%	126,734 3.6%	109,891 8.8%	114,869 4.5%	119,267 3.8%	123,705 3.7%	128,228 3.7%	108,012 6.9%	111,810 3.5%	114,882 2.7%	118,576 3.2%	122,475 3.3%
US Personal Income (Bil\$)	20,853 1.1%	21,743 4.3%	22,644 4.1%	23,682 4.6%	24,835 4.9%	21,103 2.3%	22,166 5.0%	23,147 4.4%	24,196 4.5%	25,332 4.7%	20,590 -0.1%	21,285 3.4%	22,011 3.4%	22,867 3.9%	23,864 4.4%
KY Nonfarm Employment ('000)	1,930.4 4.1%	1,971.6 2.1%	1,987.9 0.8%	1,997.5 0.5%	2,004.9 0.4%	1,943.5 4.8%	1,978.9 1.8%	1,994.9 0.8%	2,001.4 0.3%	2,006.6 0.3%	1,921.2 3.7%	1,958.3 1.9%	1,972.4 0.7%	1,980.6 0.4%	1,988.4 0.4%
US Nonfarm Employment (Mil)	149.4 4.5%	153.1 2.5%	154.7 1.0%	155.6 0.6%	156.3 0.5%	150.3 5.1%	153.5 2.1%	155.0 1.0%	155.8 0.5%	156.4 0.4%	148.8 4.1%	152.0 2.1%	153.4 0.9%	154.2 0.5%	155.0 0.5%
CPI, Rate of Inflation	3.5%	2.0%	2.1%	2.1%	2.1%	3.7%	2.3%	2.2%	2.2%	2.2%	3.0%	0.9%	1.1%	1.4%	1.7%
US Retail Sales	7.0%	2.3%	3.1%	3.9%	4.3%	9.2%	3.0%	3.1%	3.6%	3.9%	5.1%	1.8%	2.5%	3.0%	3.6%
US Corporate Profits	12.4%	3.1%	2.3%	4.7%	5.5%	18.9%	3.1%	0.9%	2.2%	2.6%	8.6%	3.0%	2.6%	3.4%	4.4%
Oil Price, WTI (\$/barrel)	65.40	62.12	62.10	62.52	63.19	67.15	63.76	63.52	63.92	64.57	64.61	61.65	61.87	62.56	63.56

Selected U.S. and Kentucky Economic Variables
Forecast Comparison
July 2021

	FY20	FY21	FY22	FY20	FY21	FY22
	Global Insight: July 21 Control			Global Insight: Nov 20 Control		
US Real GDP (Bil 2012\$)	18,677 -1.1%	18,983 1.6%	20,246 8.4%	18,677 -1.1%	18,787 0.6%	19,198 2.2%
Industrial Production Index, Total	-5.4%	-0.1%	6.7%	-4.2%	-2.3%	1.5%
Industrial Production, Durables	-3.6%	-0.2%	6.1%	-3.1%	-0.9%	1.1%
KY Personal Income (Mil\$)	203,619 5.9%	219,177 7.6%	219,136 7.6%	202,715 5.4%	204,565 0.9%	206,990 1.2%
KY Wage & Salary Income (Mil\$)	95,812 0.8%	101,041 5.5%	108,895 13.7%	95,764 0.8%	97,072 1.4%	101,475 4.5%
US Personal Income (Bil\$)	19,192 5.2%	20,623 7.5%	20,853 8.7%	19,176 5.1%	19,419 1.3%	19,667 1.3%
KY Nonfarm Employment ('000)	1,890.9 -2.4%	1,853.6 -2.0%	1,930.4 2.1%	1,875.4 -3.1%	1,844.6 -1.6%	1,905.2 3.3%
US Nonfarm Employment (Mil)	147.1 -1.9%	143.0 -2.8%	149.4 1.6%	147.1 -1.9%	144.2 -2.0%	149.6 3.7%
CPI, Rate of Inflation	1.6%	2.2%	3.5%	1.6%	1.7%	2.6%
US Retail Sales	0.1%	12.8%	7.0%	0.3%	6.5%	3.1%
US Corporate Profits	-5.5%	20.7%	12.4%	-5.5%	3.8%	-8.5%
Oil Price, WTI (\$/barrel)	46.72	51.83	65.40	46.72	40.57	48.93